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PART IV.

Legislative Measures and Rules thereunder.

NOTIFICATIONS.

No. A. F. 5889—J. S. 14-38-21, dated Bangalore,
the 29th April 1940.

In exercise of the powers vested in them under Section 144 (2) of the Mysore Companies Act, XVIII of 1938 the Government of His Highness the Maharaja of Mysore are pleased to make the following rules for the grant of Auditors' Certificates, the draft having been published in Notification No. A. F. 3176—J. S. 14-38, dated 20th December 1939.

By Order,

C. E. NORONHA,

Secretary to Government,
Development Department.

ANNEXURE.**Rules for the grant of Auditors' Certificates.**

1. (A) The Government may upon the receipt of an application in this behalf from any person who is not below 21 years of age and (a) who has satisfied a test recognised by the Government as sufficient for the purpose of the rule, or (b) who has at least five years' practical training in auditing accounts, and who can satisfy the Government as to his competency, grant to any such person a certificate entitling the holder thereof to act as an auditor of companies.

(B) For the purposes of clause (a) of the above sub-rule, the following shall be recognised as sufficient tests:—

(i) Tests prescribed in Part II of the Auditors' Certificate Rules of the Government of India issued with Notification (Registration of Accountants) No. 213 (ii) T. and E. (A. B.), dated 26th March 1932, as amended from time to time.

(ii) Membership of any of the following institutes and societies:—

(1) The Institute of Chartered Accountants in England and Wales.

(2) The Society of Incorporated Accountants and Auditors, London.

(3) The Society of Accountants in Edinburgh.

(4) The Institute of Accountants and Actuaries in Glasgow.

(5) The Society of Accountants, Aberdeen.

(6) The Institute of Chartered Accountants in Ireland.

(Notification No. 1234—I. & C. 6-18, dated 7th August 1918, is hereby cancelled.)

(iii) Holders of the Government Diploma in Accountancy awarded on the recommendation of the Accountancy Diploma Board, Bombay.

2. A person shall not be eligible for a certificate if he—

(i) has been adjudged by a competent court to be of unsound mind;

- (ii) is an undischarged insolvent;
- (iii) being a discharged insolvent has not obtained from the court a certificate that his insolvency was caused by misfortune without any misconduct on his part;
- (iv) has been convicted by a competent court, of any offence which is punishable under the Indian Penal Code and is under the provisions of the Criminal Procedure Code, non-bailable, unless the offence of which he was convicted has been pardoned or unless, on an application, made by him, the Government has, by an order in this behalf, removed the disability; or
- (v) having previously practised as a Public Accountant is considered by the Government not to be a fit and proper person to be granted a certificate by reason of any act of negligence, misconduct or dishonesty committed in his professional capacity.

3. (a) Every person desirous of obtaining a certificate shall apply to the Secretary to Government in the Development Department through the Registrar of Joint-Stock Companies in Mysore (who may, on his own authority, reject such of the applications that do not fulfil the prescribed conditions) and shall specify—

- (i) his full name, age, caste, residence and qualifications; and the language or languages in which the accounts are kept, and which he considers he is competent to audit;
- (ii) any examination in Auditing or Accountancy he has passed with a certificate to that effect;
- (iii) if he has served in any Firm of Auditors or accountants, particulars thereof and the period for which he may have so served; and
- (iv) if he has audited independently the accounts of any companies, the names of such companies and the number of the accounts so audited.

(b) He shall state in his application whether at any time he has applied for a certificate from any other Government or Administration in India and the result of such application.

(c) He shall supply such further information bearing on his application as the Government, at any time, require of him.

4. The applicant shall also furnish satisfactory evidence of character.

5. An application on behalf of a Firm of Accountants consisting of more than one member shall be made in the name of the Firm and shall state the name and qualifications of each member of the Firm and the fee payable (both entrance and annual) shall be in respect of each member of the Firm.

6. Every person whose application has been accepted by Government shall be granted a certificate entitling him to act as an Auditor of Joint-Stock Companies in the Mysore State on payment of the entrance fee and the annual fee as in rule 13 below. The certificate shall be in Form A and shall be valid from the 1st day of July of any year or from any day subsequent to that day till the 30th June of the following year. No fee shall be payable for a certificate. No application shall be necessary for the renewal of a certificate but a fresh certificate valid for the succeeding twelve months shall be sent to every auditor to whom a certificate was previously granted and whose certificate is still valid and who has paid the annual fee due under the rule.

7. The certificate granted shall specify the language or languages of the accounts which the holder shall be entitled to audit and the holder thereof shall be entitled to audit the accounts kept in such language or languages only.

8. The Government may cancel permanently or temporarily the certificate granted to any person—

(a) from whom a request has been received to that effect; or

(b) from whom the annual fee has not been received on the expiry of three months from the date on which it became due; or

(c) who is found to have been subject at the time of the grant of auditor's certificate or thereafter has become subject, to any of the disabilities stated in clauses (i) to (iv) of Rule 2 above;

(d) whom they have declared not to be a fit and proper person to hold a certificate by reason of any act of

negligence, misconduct or dishonesty committed in his professional capacity, provided that, before making such declaration, the Government shall call upon the person concerned to show cause why his certificate should not be cancelled and shall make such further enquiry, if any, as they may consider necessary.

9. The cancellation of the certificate of any person shall be notified in the *Mysore Gazette* and shall be communicated to the person concerned.

10. An Auditor's Certificate shall be deemed to be cancelled from the date on which and during the period for which it is cancelled.

11. The Government may, at any time, renew the certificate of a person removed temporarily therefrom under clauses (a) or (b) of Rule-8 above:

Provided that—

(1) a person whose name was removed under clause (a) shall have paid before the renewal of the certificate, the full amount of the annual fee for the year during which his name is restored; and

(2) a person whose name was removed under clause (b) shall have paid before the renewal of the certificate all arrears on account of the annual fee.

12. The renewal of the certificate under Rule 11 shall be notified in the *Mysore Gazette* and shall be communicated to the person concerned.

13. (A) No person shall be entitled to a certificate except on payment to the Registrar of Joint-Stock Companies in Mysore of a fee at the following rates, viz.,—

(a) An entrance fee Rs. 100

(Payable as soon as the application is accepted by Government);

(b) Annual fee Rs. 25

(The annual fee shall be due and payable on the 1st of April each year).

Provided that the full amount of entrance fee and half the amount of annual fee shall be payable by a person whose certificate is to be current for a period of six months and less.

(B) If the certificate is lost or destroyed, a duplicate may be obtained by the holder on application to

Government through the Registrar of Joint-Stock Companies on payment of a fee of Rs. 3.

(C) Such fee shall be credited by the Registrar to the Government.

14. The fee prescribed by these rules shall be paid to any Mysore Government Treasury for credit under the Head "XXII. Industries and commerce—1. Fees for Registration of Companies and Miscellaneous Receipts," and the duplicate treasury challan therefor shall be sent to the Secretary to Government, Development Department, through the Registrar of Joint-Stock Companies in Mysore, Bangalore.

15. (a) The Registrar of Joint-Stock Companies shall maintain a register in which shall be entered the name, residence and qualifications of every person or firm to whom a certificate has been granted under these rules and the date on which it has been granted.

(b) When a certificate is cancelled, the name of the person or firm to whom it was granted shall be removed from the said register.

(c) It shall be the duty of the Registrar to keep the register correct and up-to-date.

(d) The register as brought up to the 1st July every year shall be published annually in the *Mysore Gazette* by the fourth week of July along with the rules then in force and copies of the register and the rules shall be placed on sale.

ANNEXURE.

FORM A.

Auditor's Certificate.

(See Rule 6.)

This is to certify that.....

is entitled to be appointed and to act as an Auditor of Joint-Stock Companies in the Mysore State. The holder thereof is authorised to audit the accounts of Joint Stock Companies in the State in..... language(s) only.

This certificate is valid from the.....day of..... 19..... to the.....day of.....19..... (inclusive).

*No. T. 3256—R. T. 3-39-28, dated Bangalore,
the 2nd May 1940.*

In exercise of the powers conferred on them by Section 22 of the Mysore Road Traffic and Taxes Act VI of 1935 the Government of His Highness the Maharaja are pleased to make the following amendment to the list of exemptions from payment of tolls issued with notification No. P. 3317—Legis. 46-35-6, dated 18—19th November 1935 and amended from time to time:—

(*Vide* page 153 of the Mysore Motor Manual).

Amendment.

The following shall be added as clause (viii) (a) to the aforesaid list of exemptions from payment of tolls:—

“(viii) (a) Any vehicle engaged by Government for conveyance of persons the proof of which is to be established by the production of a certificate signed by the Chief Secretary to Government of Mysore, or by any other officer duly authorised by him.”

*No. P. 7174—Legis. 29-39-6, dated Bangalore
4th May 1940.*

In exercise of the powers conferred by sub-rule (1) of Rule 114 of the Defence of India Rules, as applied to Mysore, the Government of His Highness the Maharaja are pleased to direct that the following further amendments shall be made in the Enemy Property (Custody and Registration) Order 1939, namely:—

I. In sub-paragraph (6) of paragraph 8 of the said Order—

- (1) for the words “any enemy property” the words “any property belonging to, or held or managed on behalf of, an enemy subject detained in an internment camp and” shall be substituted; and
- (2) the second sub-paragraph shall be omitted.

II. In sub-paragraph (3) of paragraph (8) of the said Order, after the word "Order" the words "and thereafter at such intervals as may be prescribed by the Custodian," shall be inserted.

III. After paragraph 10 of the said Order, the following paragraph shall be added, namely:—

"11. *Fees for custody*.—(1) There shall be retained by the Custodian fees equal to two per centum of—

- (a) the amount of monies paid to him, and
- (b) the value at the date of vesting of any property which is vested in him or of which the right of transfer is vested in him.

(2) The value of any property for the purpose of assessing the fees shall be the price which, in the opinion of the Government or of an authority empowered in this behalf by the Government, such property would fetch if sold in the open market.

(4) The fees in respect of any property may be retained out of any proceeds of the sale or transfer thereof, or out of any income accrued therefrom, or out of any other property belonging to the same enemy and vesting in the Custodian."

No. T. 3305—R. T. 3-39-29, dated Bangalore
6th May 1940.

In exercise of the powers conferred on them by Section 11 of the Mysore Motor Vehicles Act, 1928, the Government of His Highness the Maharaja are pleased to issue the following amendment to the Mysore Motor Vehicles Rules, 1924, as amended from time to time the draft in the said behalf having already been published at page 154, Part IV of the *Mysore Gazette*, dated 4th April 1940, with Notification No. T. 2876—R. T. 3-39-24, dated 29th March 1940:—

Amendment.

For the existing Rule 21 (3) of the Mysore Motor Vehicles Rules, 1924, as amended from time to time, substitute the following:—

"21 (3) The driver of a motor vehicle shall, when approaching an intersection of roads, drive slowly, and

shall, unless otherwise directed by a Police Officer in charge of the regulation of traffic, or by a notice board erected at or near such intersection of roads, give way to the vehicles approaching from his right."

No. T. 3306—R. T. 3-39-30, dated Bangalore
6th May 1940.

In exercise of the powers conferred on them by section 33 of the Mysore Road Traffic and Taxes Act, VI of 1935, the Government of His Highness the Maharaja are pleased to issue the following amendments to rules 3 and 2 of the rules regarding composition of the Traffic Board and constitution of the District Traffic Advisory Committees issued with notifications Nos. P. 3418-Legis. 46-35, dated 25th November 1935 and T. 2408—R. T. 53-36-15, dated 8th February 1938, respectively, the draft amendments in the said behalf having been already published at page 167, Part IV of the *Mysore Gazette*, dated 18th April 1940 with notification No. T. 3078—R. T. 3-39-25, dated 13th April 1940.

Amendments.

1. In the second sentence of Rule 3 of the Rules regarding composition of the Traffic Board delete the words

"from the date of the official gazette in which their names are notified under the preceding rule"

And insert the following :

"from such date as may be specified in the Notification in which their names are notified under the preceding rule".

2. In rule 2 of the rules issued with Notification No. T. 2408—R. T. 53-36-15, dated 8th February 1938 delete the words

"from the date of the official gazette in which their names are notified under the preceding rule"

And insert instead the following :

"from such date as may be specified in the Notification in which their names are notified under the preceding rule".

By Order,

CH. V. NARAYANA RAO,

Secretary to Government,

Law Department.